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C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 000599

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TAGS: PREL ETRD PBTS MARR MOPS GG RS

SUBJECT: RUSSIA-GEORGIA: TINY STEPS FOR LITTLE FEET

REF: A. MOSCOW 405 B. MOSCOW 245

Classified By: Ambassador William J. Burns. Reason: 1.4 (b, d)

Summary

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¶1. (C) On January 22 Putin sent his ambassador back to Georgia with fanfare. On February 5-6 the two countries held constructive talks on restoring direct air links, with other talks soon to begin on restoring sea freight connections. The newly re-staffed Russian embassy in Tbilisi includes visa officers, though only Putin can give the go-ahead to start issuing visas again. Russia has softened its hard tactical line on Abkhazia (Georgian forces in the Upper Kodori Valley) and South Ossetia (favoring direct one-on-one talks between Georgia and the separatists). The Russians are happy that Georgian rhetoric toned down after outspoken DefMin Okruashvili was sacked. Georgia has also rescinded onerous procedures Okruashvili instituted for the transit of Russian personnel and military overflights. However, rolling back unilateral Russian sanctions and taking small steps elsewhere do not comprise a Russian rapprochement with Georgia, nor are they meant to. Rather, Russia's all-stick-no-carrot tactics failed to produce results, and Putin is pulling back to give Russia more room for tactical maneuver with Georgia. End Summary.

"My President Follows These Issues Very Closely"

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¶2. (C) On January 18 President Putin summoned to the Kremlin his Ambassador to Tbilisi, Vyacheslav Kovalenko, who had been languishing in a corner of the MFA since he left Georgia last September. Russia had recalled Kovalenko to protest the detention of Russian servicemen on espionage charges -- the first action in a series of harsh sanctions and a press campaign against Georgia and Georgians. Now, with cameras rolling in the Kremlin, Putin was making a point of sending Kovalenko back to Tbilisi. Kovalenko arrived January 22.

¶3. (C) Russia then began a further series of small steps. Productive Civil Aviation negotiations took place in Moscow February 5-6 on resumption of direct air links. As a result, only one issue remains outstanding -- Georgian payment of debt owed for non-payment of air navigation fees. The Georgians agreed in principle to pay, according to MFA 4th CIS Department Principal Deputy Director Dmitriy Tarabrin, but wanted to have agreement on the debt's value before signing the protocol. A second round will be held in Tbilisi at the end of February. Also scheduled for February are negotiations on resuming sea freight links, and postal links are expected soon as well.

¶4. (C) All this, according to Tarabrin, is part of the "plan" for relaxing sanctions approved by Putin. Tarabrin said that even had the Georgians wanted to sign the air links protocol, the Russians would not have been ready -- because they need

Putin's personal approval to proceed with each step after all the problems and technical underbrush are cleared away. "I am revealing no great secret," Tarabrin said, "if I tell you that our President takes a close interest in these issues." Tarabrin noted that visa issuance to Georgians, suspended last September, will also resume -- but only when Putin himself gives the order.

15. (C) Putin is also clearly behind the MFA's new flexibility on "frozen conflicts." 4th CIS Department Director Kelin signaled on January 31 that Russia was dropping its previous demand that all Georgian forces withdraw from the Upper Kodori Valley, which Russia had previously held was mandated by UNSCR 1716 (Ref. A). Now, Kelin said, an Interior Ministry force could stay as long as the presence was reduced enough to preclude offensive action against Abkhazia -- he said 200 would be acceptable to Russia vice the 500 there now. Kelin also made no mention of previous Russian demands for withdrawal of the Georgian-backed "Abkhaz Government-in-Exile," which now administers Upper Kodori for the Georgian Government. Tarabrin clarified on February 7 that Russia has been reassured by the success of joint UNOMIG/PKF patrols in Upper Kodori. However, Russia (and the Abkhaz) are still bothered by the "G-i-E" in expectation that Georgia will try to drag it into the negotiating process as equivalent to the de facto separatist authorities, a move that could cause negotiations to collapse, in his view. Tarabrin emphasized that only the separatists -- and not the "G-i-E" -- are recognized as a party to the negotiations. (This is probably behind the Russian insistence that separatist Abkhaz "FM" Shamba travel to the UN.)

16. (C) On South Ossetia, Russian negotiator Yuriy Popov told us February 2 that Russia will not object to direct

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one-on-one dialogue between Georgian negotiator Antadze and his South Ossetian interlocutor Chochiyev. Russia had previously opposed the idea, and even now was dropping its objections only partially. In Russia's view, the dialogue could not be in the "Authorized Delegations" format requested by Tbilisi, but rather as a dialogue between two Co-Chairs of the Joint Coordinating Commission, the current negotiating format that Georgia wants to change. The dialogue must not deal with certain issues such as police and security, but should rather concentrate on issues such as preparing for a meeting between President Saakashvili and South Ossetian separatist leader Kokoity.

But There is a Limit

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17. (C) Georgian Ambassador to Russia Irakli Chubinishvili took note of the Russian steps, as well as the virtual cessation of deportations of Georgians. On the Georgian side, he had personally been involved in taking some small steps such as canceling the onerous requirements imposed by former DefMin Okruashvili on Russian overflights of military planes en route to Armenia -- all paperwork to be translated into Georgian, advance notice beyond that required by agreement, etc. He was also involved in the Russian request that the Georgian government give Russia the building once used as the headquarters of the Group of Russian Forces in the Transcaucasus and later by the Georgian Ministry of Defense (which has since moved out). The Russians want the building to be their grand new Embassy in Tbilisi.

18. (C) But these steps do not necessarily herald a thaw, Chubinishvili told us. There is no sign that the Russians are preparing to roll back their serious economic sanctions -- the bans on mineral water, Georgian wine, and all agricultural products; and the closure of the one legal land border between Russia and Georgia. If the bans on water and wine are lifted, he said, it will be entirely due to Russian internal dynamics (brand loyalty, nostalgia, maneuvering among distribution companies, and -- in the case of Borjomi

water -- connection with oligarchs Badri Patarkatsishvili and Boris Berezovskiy) rather than to rapprochement with Georgia.

The border closure will maintain friction over Russia's WTO membership; Georgia retains its bilateral objection to Russia over Russia's maintenance of open borders with separatist entities without Georgian customs presence.

¶9. (C) Rather, Chubinishvili said, he expects a "quiet" 2007, with few further developments. He also expects a "difficult" 2008, owing to elections in both Russia and Georgia. But he warned that Abkhazia could prove a flashpoint. He believed that Russia and Georgia have achieved a symmetrical but dangerous stand-off: Russia will recognize Abkhaz independence if Georgia attempts to use force against Abkhazia; conversely, Georgia will use armed force if Russia recognizes Abkhaz independence. This is a not entirely stable balance, he warned, because the situation in Gali (Abkhaz controlled but ethnically Georgian) is deteriorating.

The Georgian farmers are emboldened. In previous years, they bore with resignation the rapine -- by Abkhaz and Georgian mafias alike -- of the mandarin and hazelnut harvests, their main cash crops. Not any more. Chubinishvili believes the Georgian farmers were behind recent murders of Abkhaz officials (which took place during mandarin season).

Comment

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¶10. (C) In our view, Putin has decided that Moscow's all-stick-no-carrot policy has left the Kremlin with no room for maneuver: it has used up all its levers without gaining any leverage. This is far from heralding a thaw, as Putin's ire with Saakashvili is not likely to be slaked so quickly. Nor do Russia's softer positions on frozen conflicts represent a desire to resolve them, or at least to resolve Abkhazia. As we reported in Ref B and previously, Russia's maneuvers on the conflicts are aimed at preserving the status quo, and we do not believe that has changed. What has changed is the tone of the discourse, and that could lead to reduced threat of conflict, as well as to some useful steps forward on less sensitive issues.

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